

108TH CONGRESS  
2D SESSION

# H. R. 4140

To amend title 5, United States Code, to provide for a corporate responsibility investment option under the Thrift Savings Plan.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 2004

Mr. LANGEVIN (for himself, Mr. SHAYS, Mr. MATSUI, Mr. SIMMONS, Mr. PASCRELL, Mrs. MCCARTHY of New York, Mr. VAN HOLLEN, Mr. KENNEDY of Rhode Island, Mr. LARSON of Connecticut, Mrs. DAVIS of California, Ms. MCCOLLUM, Mr. TIERNEY, Ms. SCHAKOWSKY, Mr. KUCINICH, and Mr. NEY) introduced the following bill; which was referred to the Committee on Government Reform

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## A BILL

To amend title 5, United States Code, to provide for a corporate responsibility investment option under the Thrift Savings Plan.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Employees Re-  
5 sponsible Investment Act”.

### 6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) The Department of Labor has asserted that  
2           socially responsible investments meet the fiduciary  
3           standards set in the Employee Retirement Income  
4           Security Act.

5           (2) 84 percent of mutual fund investors would  
6           be more likely to invest in a fund if one of its prin-  
7           ciples was to invest in companies that engage in eth-  
8           ical business practices in terms of operations and re-  
9           porting.

10          (3) 71 percent of investors agree that compa-  
11          nies that operate with higher levels of integrity carry  
12          less investment risk, and 67 percent of investors be-  
13          lieve that these companies deliver better investment  
14          returns.

15 **SEC. 3. CORPORATE RESPONSIBILITY STOCK INDEX FUND.**

16          (a) DEFINITION.—Section 8438(a) of title 5, United  
17 States Code, is amended—

18           (1) in paragraph (9), by striking “and” at the  
19           end;

20           (2) in paragraph (10), by striking the period at  
21           the end and inserting “; and”; and

22           (3) by adding at the end the following:

23           “(11) the term ‘Corporate Responsibility Stock  
24           Index Fund’ refers to the fund established under  
25           subsection (b)(1)(F).”.

1 (b) ESTABLISHMENT.—

2 (1) IN GENERAL.—Section 8438(b)(1) of title  
3 5, United States Code, is amended—

4 (A) in subparagraph (D), by striking  
5 “and” at the end;

6 (B) in subparagraph (E), by striking the  
7 period at the end and inserting “; and”; and

8 (C) by adding at the end the following:

9 “(F) a Corporate Responsibility Stock Index  
10 Fund as provided under paragraph (5).”.

11 (2) FUND REQUIREMENTS.—Section 8438(b) of  
12 title 5, United States Code, is amended by adding  
13 at the end the following:

14 “(5)(A) The Board shall select an index which is a  
15 commonly recognized, passively managed index comprised  
16 of domestic stocks that have been analyzed based on cri-  
17 teria consistent with the purposes of this paragraph. Such  
18 criteria may include corporate governance, environmental  
19 practices, workplace relations and benefits, product safety  
20 and impact, international operations and human rights,  
21 involvement with repressive regimes, and community rela-  
22 tions. The index’s financial track record must be com-  
23 parable to that of the other options available under the  
24 Thrift Savings Plan.

1       “(B) The Corporate Responsibility Stock Index Fund  
 2 shall be invested in a portfolio designed to replicate the  
 3 performance of the index in subparagraph (A). The port-  
 4 folio shall be designed such that, to the extent practicable,  
 5 the percentage of the Corporate Responsibility Stock  
 6 Index Fund that is invested in each stock is the same as  
 7 the percentage determined by dividing the aggregate mar-  
 8 ket value of all shares of that stock by the aggregate mar-  
 9 ket value of all shares of all stocks included in such  
 10 index.”.

11       (c) ACKNOWLEDGMENT OF RISK.—Section 8439(d)  
 12 of title 5, United States Code, is amended—

13           (1) by striking “or the Small Capitalization  
 14 Stock Index Investment Fund,” and inserting “the  
 15 Small Capitalization Stock Index Investment Fund,  
 16 or the Corporate Responsibility Stock Index Fund,”;  
 17 and

18           (2) by striking “and (10),” and inserting “(10),  
 19 and (11),”.

20 **SEC. 4. EFFECTIVE DATE.**

21       The fund required under this Act shall be made avail-  
 22 able beginning with the earliest election period (under sec-  
 23 tion 8432(b) of title 5, United States Code) practicable,

- 1 as determined by the Executive Director of the Thrift Sav-
- 2 ings Fund in regulations.

